

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 4260	Department Health Care Services	Priority No.
Budget Request Name 4260-009-BCP-DP-2016-GB		Program 3960010	Subprogram

Budget Request Description
Outreach and Enrollment Extension



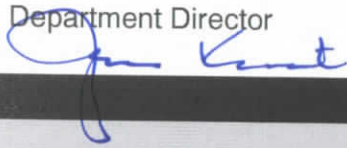
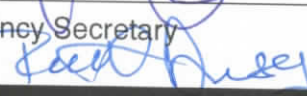
Budget Request Summary

The DHCS, Medi-Cal Eligibility Division (MCED), requests two-year limited-term special fund resources of \$435,000 (\$217,000 Special Deposit Fund/\$218,000 Federal Fund) for the Outreach and Enrollment (O&E) Unit within MCED.

Supports the implementation, maintenance and oversight of the Medi-Cal outreach, enrollment, and renewal assistance work that must be carried out to meet the requirements specified in Assembly Bill (AB) 82, Chapter 23, Statutes of 2013, Sections 70 and 71, and Senate Bill (SB) 18, Chapter 551, Statutes of 2014 as extended by Senate Bill (SB) 75, Chapter 18, Statutes of 2015.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

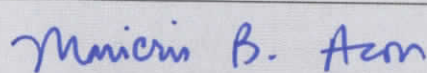
If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By 	Date 1.5.16	Reviewed By 	Date 1/6/16
Department Director 	Date 1/6/16	Agency Secretary 	Date 1/7/16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA  Date submitted to the Legislature
1/8/16

BCP Fiscal Detail Sheet

BCP Title: Outreach and Enrollment Extension

DP Name: 4260-009-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Salaries and Wages						
Earnings - Temporary Help	0	234	234	0	0	0
Total Salaries and Wages	\$0	\$234	\$234	\$0	\$0	\$0
Total Staff Benefits	0	113	113	0	0	0
Total Personal Services	\$0	\$347	\$347	\$0	\$0	\$0
Operating Expenses and Equipment						
5301 - General Expense	0	16	16	0	0	0
5302 - Printing	0	8	8	0	0	0
5304 - Communications	0	8	8	0	0	0
5320 - Travel: In-State	0	12	12	0	0	0
5322 - Training	0	4	4	0	0	0
5324 - Facilities Operation	0	36	36	0	0	0
5344 - Consolidated Data Centers	0	4	4	0	0	0
Total Operating Expenses and Equipment	\$0	\$88	\$88	\$0	\$0	\$0
Total Budget Request	\$0	\$435	\$435	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
0890 - Federal Trust Fund	0	218	218	0	0	0
0942 - Special Deposit Fund	0	217	217	0	0	0
Total State Operations Expenditures	\$0	\$435	\$435	\$0	\$0	\$0
Total All Funds	\$0	\$435	\$435	\$0	\$0	\$0

Program Summary

Program Funding						
3960010 - Medical Care Services (Medi-Cal)	0	435	435	0	0	0
Total All Programs	\$0	\$435	\$435	\$0	\$0	\$0

Personal Services Details

Salaries and Wages

VR00 - Various (Eff. 07-01-2016)(LT 06-30-2018)

Total Salaries and Wages

Staff Benefits

5150350 - Health Insurance

5150600 - Retirement - General

Total Staff Benefits**Total Personal Services**

CY	BY	BY+1	BY+2	BY+3	BY+4
0	234	234	0	0	0
\$0	\$234	\$234	\$0	\$0	\$0
0	56	56	0	0	0
0	57	57	0	0	0
\$0	\$113	\$113	\$0	\$0	\$0
\$0	\$347	\$347	\$0	\$0	\$0

Analysis of Problem

A. Budget Request Summary

The Department of Health Care Services (DHCS), Medi-Cal Eligibility Division (MCED) requests two-year limited-term special fund resources of \$435,000 (\$217,000 Special Deposit Fund/\$218,000 Federal Fund) for the Outreach and Enrollment (O&E) Unit within MCED. The requested resources will address the workload performed by existing limited term positions that will expire on June 30, 2016.

These resources are needed to support the implementation, maintenance and oversight of the Medi-Cal outreach, enrollment, and renewal assistance work that must be carried out to meet the requirements specified in Assembly Bill (AB) 82, Chapter 23, Statutes of 2013, Sections 70 and 71, and Senate Bill (SB) 18, Chapter 551, Statutes of 2014 as extended by Senate Bill (SB) 75, Chapter 18, Statutes of 2015. The resources will be used to address workload related to collaborating with the counties, the County Medical Services Program (CMSP) Governing Board and community-based organizations in conducting outreach and enrollment activities for hard to reach populations that may be eligible for Medi-Cal, as well as renewal assistance for current Medi-Cal beneficiaries.

B. Background/History

DHCS' mission is to provide Californians with access to affordable, high-quality health care, including medical, dental, mental health, substance use treatment services, and long-term care. The Patient Protection and Affordable Care Act (Pub. L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152), commonly referred to as the ACA, changed the application and renewal process for the Medi-Cal program and implemented new coverage groups based on an income methodology referred to as Modified Adjusted Gross Income (MAGI). The ACA also mandated Medi-Cal application and renewal simplifications for individuals seeking and retaining coverage; however, Medi-Cal also continues to maintain policies and procedures based on rules that are unchanged by ACA and have been in place for several decades, generally referred to as non-MAGI. The existence of new eligibility groups subject to new eligibility rules while retaining existing Medi-Cal rules and coverage groups has resulted in challenges for individuals seeking and retaining coverage for which they were otherwise eligible. One new aspect of MAGI income methodology that has caused Medi-Cal applicants and beneficiaries some confusion is the need to provide information concerning their income, tax filing status, and tax dependent status. These are questions that were not historically asked of Medi-Cal applicants or beneficiaries.

The following state legislation created the Outreach and Enrollment and Renewal Assistance Programs, funded by The California Endowment (TCE), for the purpose of providing outreach and assistance to uninsured Californians seeking coverage, and retaining eligible individuals with in-person application and renewal assistance:

- Pursuant to AB 82, Section 70, funding in the amount of \$28 million (\$14 million Special Deposit Fund and \$14 million Federal Funds) to the Outreach and Enrollment and Renewal Assistance Funds (Funds) for the purpose of providing payments to application assisters as compensation for their efforts in assisting individuals apply and become eligible for Medi-Cal.

Analysis of Problem

- Pursuant to AB 82, Section 71, funding in the amount of \$25 million (\$12.5 million Special Deposit Fund and \$12.5 million Federal Funds) to the funds for the purpose of outreach to, and enrollment of, targeted Medi-Cal populations. DHCS provides counties with specified grant amount and requires the funded entities to partner with a network of community-based organizations to reach underserved communities.
- Pursuant to SB 18, funding in the amount of \$12 million (\$6 million Special Deposit Fund and \$6 million Federal Funds) for the purpose of providing Medi-Cal renewal assistance to existing Medi-Cal beneficiaries.
- Pursuant to Section 5 of SB 101, Chapter 361, Statutes of 2013, DHCS is authorized to use the funds available to cover the administrative costs.

Covered California had an Interagency Agreement with DHCS, that provides funding for the payments to Certified Enrollment Entities (CEEs) and Certified Insurance Agents (CIAs) for in-person enrollment assistance for individuals who enroll in Medi-Cal and for costs to administer the application assistance program. Beginning July 1, 2015, Covered California implemented a new payment model for the CIAs and will no longer be providing application assistance payments to CEEs and CIAs for applications with Medi-Cal eligible individuals received after June 30, 2015. Covered California currently holds contracts with more than 900 CEEs and nearly 15,000 CIAs. Because DHCS does not have resources to contract with individual CEEs and CIAs and has not fully expended the funds for application assistance for Medi-Cal eligible individuals, the remaining funds for the application assistance program will be transferred to the county outreach and enrollment grants and will be allocated to counties in a manner determined by DHCS.

Based on current enrollment trends, DHCS estimates it will pay out an additional \$7.3 million through June 30, 2015. Approximately \$2.5 million (9%) in remaining funding will be transferred to the county outreach and enrollment grants. These figures represent a portion of the total combined \$28 million received from TCE and matching federal funds, which would provide additional funding for county outreach and enrollment grants currently performed by counties and community-based organizations (CBOs). In addition, recent legislation, SB 75, has further extended the timeframe for which DHCS may continue the two programs, from June 30, 2016 to June 30, 2018.

Resource History Medi-Cal Eligibility Division

(Dollars in thousands)

Program Budget	2010-11	2011-12	2012-13	2013-14	2014-15
Authorized Expenditures	26,858	26,858	29,631	25,054	18,393
Actual Expenditures	23,694	26,077	26,077	21,868	14,948
Revenues	N/A	N/A	N/A	N/A	N/A
Authorized Positions	112.5	131.5	123.8	137.5	161.0
Filled Positions	100.1	106.5	111.4	126.6	150.0
Vacancies	12.4	25.0	12.4	10.9	11.0

Analysis of Problem

Workload History

Workload Measure	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
AB 82, Sec 70 Invoices				1	14	7 (ESTIMATED)
AB 82, Sec 71 Allocation Agreements				27	6	40 (ESTIMATED)
AB 82, Sec 71 Budget Plans				23	10	60 (ESTIMATED)
AB 82, Sec 71 Work Plans				27	9	60 (ESTIMATED)
AB 82, Sec 71 Progress Reports				0	82	265 (ESTIMATED)
AB 82, Sec 71 Invoices				0	68	290 (ESTIMATED)
AB 82, Sec 71 Annual Budget Reports				0	0	40 (ESTIMATED)
SB 18 Allocation Agreements				0	11	20 (ESTIMATED)
SB 18 Work Plans				0	4	30 (ESTIMATED)
SB 18 Budget Plans				0	4	30 (ESTIMATED)
SB 18 Progress Reports				0	82	92 (ESTIMATED)
SB 18 Invoices				0	68	92 (ESTIMATED)

C. State Level Considerations

This proposal improves the enrollment experience and enhances outreach and education to the low-income population served by the Medi-Cal program and is therefore consistent with the DHCS Strategic Plan's commitment to improve the consumer experience so individuals can easily access high quality health care when they need it, where they need it, at all stages of life. This proposal is consistent with the goals of Covered California; therefore, Covered California is fully supportive of this proposal. DHCS has not identified any opposition to this proposal.

D. Justification

Requested resources are consistent with resources previously authorized to support implementation of the statutory requirements of AB 82, Chapter 23, Statutes of 2013, Sections 70 and 71, and SB 18, Chapter 551, Statutes of 2014. These statutes required DHCS to facilitate the distribution of funding to local partners to conduct outreach, enrollment, and renewal activities while monitoring and providing oversight in the distribution of these funds and grantee's deliverables and milestones. In addition, activities included, but were not limited to, reviewing allocation agreements, work plans, budget plans, invoices, and progress reports from entities funded under these provisions. DHCS also monitored the enrollment and renewal activities performed, and reported this information to the TCE and the Legislature.

Analysis of Problem

This proposal would provide resources to continue to address the current and extended workload pursuant to amendments to AB 82 and SB 18 enacted in 2015 under SB 75. The funding for requested resources has no impact to the General Fund as the administrative cost for the programs are drawn from the Special Deposit Fund authorized in Section 5 of SB 101, Chapter 361, Statutes of 2013.

The ACA and California's optional expansion of Medi-Cal to the new adult group, allows California to make significant strides toward supporting a healthier, more productive state. DHCS has increased the Medi-Cal eligible population by more than 4 million since ACA implementation. To some extent, the increase in Medi-Cal enrollment can be attributed to application and enrollment simplification, as well as, outreach and enrollment efforts by counties, CBOs and CEEs. This proposal would continue DHCS' efforts and partnership with counties and CBOs to increase enrollment and retention of individuals in Medi-Cal.

If this proposal is not approved, DHCS would be unable to fulfill the requirements of AB 82, SB 18, and SB 75 resulting in unspent TCE and federal funds instead of being used to facilitate the enrollment of vulnerable populations into health coverage, as existing resources within DHCS cannot be redirected to this effort due to other critical priorities. This proposal consists of limited-term funding equivalent to:

- 1.0 Staff Services Manager I (SSM I): The SSM I will continue to lead the development of outreach strategic plan and plan components, provide subject matter expertise in a lead capacity to O&E Unit staff and DHCS management for outreach strategies and plans for the enrollment of Californians that are eligible for Medi-Cal but not yet enrolled. The SSM I will also continue to oversee renewal assistance program efforts conducted by DHCS staff and carried out by counties and community-based organizations.
- 2.0 Associate Governmental Program Analyst (AGPA): The AGPAs will continue to coordinate the implementation of the outreach, enrollment, and renewal programs; The AGPAs will continue to collaborate with the counties, provide technical support to ensure the requirements of outreach, enrollment, and renewals are met. The AGPAs continue to; be the O&E subject matter experts and carry out the multi-dimensional work associated with the requirements of AB 82, and SB 18, and SB 75. The APGAs will continue work efforts on monitoring and oversight, including distribution of funding, and reviewing county invoices and progress reports from the counties and other entities.
- 1.0 Office Technician (OT) (Typing): The OT will continue to perform administrative support to the O&E Unit Outreach and Enrollment Unit staff, and provide all necessary administrative support functions including typing and editing documents, tracking assignments, maintaining filing system, and assisting the staff with all support functions.

E. Outcomes and Accountability

The expected outcomes of this proposal include facilitating the enrollment and retention of individuals seeking to apply for, or retain health coverage in the Medi-Cal program, and fully expending all grant funding as intended by AB 82, SB 18, and SB 75. This will further advance the goal of providing health care coverage for low-income populations.

Analysis of Problem

In terms of accountability, DHCS has significant programmatic controls, policies, and procedures currently in place to ensure accountability for the requested resources. DHCS will retain oversight responsibility over all Outreach and Enrollment staff activities and will maintain accountability through existing internal processes, such as monitoring staff work and performance monitoring. DHCS will also be monitoring and providing oversight in the distribution of the funds and grantee's deliverables and milestones.

Projected Outcomes Medi-Cal Eligibility Division Outreach and Enrollment Unit

Workload Items	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
AB 82, Sec 70 Invoices	7	0	0	0	0	0
AB 82, Sec 71 Allocation Agreements	40	0	0	0	0	0
AB 82, Sec 71 Budget Plans	60	25	25	0	0	0
AB 82, Sec 71 Work Plans	60	25	25	0	0	0
AB 82, Sec 71 Progress Reports	265	265	265	0	0	0
AB 82, Sec 71 Invoices	290	290	290	0	0	0
AB 82, Sec 71 Annual Budget Reports	40	80	80	0	0	0
SB 18 Allocation Agreements	20	0	0	0	0	0
SB 18 Work Plans	30	12	12	0	0	0
SB 18 Budget Plans	30	12	12	0	0	0
SB 18 Invoices	92	92	92	0	0	0
SB 18 Progress Reports	92	92	92	0	0	0
SB 18 Annual Budget Reports	35	30	30	0	0	0

F. Analysis of All Feasible Alternatives

Alternative 1: Approve the two-year limited-term (LT) resources of \$435,000 (\$217,000 Special Deposit Fund/\$218,000 Federal Fund).

Pros:

- Facilitates enrollment in the Medi-Cal program and improves retention rate through outreach efforts.
- Contributes to a healthier California and better health outcomes for Californians.
- Leverages Special Deposit Funds for the requested activities with no impact to the General Fund.

Cons:

- Growth in government spending

Analysis of Problem

Alternative 2: Take no action.

Pros:

- Less administrative workload at the state level.
- No increase in the state spending.

Cons:

- TCE/federal funds would go unspent.
- The opportunity to enroll or retain additional individuals into Medi-Cal through these efforts would be lost.

Alternative 3: Secure funding to hire consultants to perform the same functions to be completed by the requested resources.

Pros:

- May enable DHCS to comply with legislative requirements.
- Does not increase state workforce.

Cons:

- Potentially higher costs for consultants compared to state staff.
- Procuring consultants is time-consuming and labor intensive.
- Would need to address state employee union concerns with consultant hires.

Alternative 4: Approve two-year limited-term resources of \$228,000 (\$114,000 Special Deposit Fund/\$114,000 Federal Fund).

Pros:

- Lower cost alternative to Alternative 1.
- May enable DHCS to perform some of the work pursuant to AB 82, SB 18, and SB 75, resulting in some outreach and enrollment activities.

Cons:

- Adjusted funding levels would likely not fully utilize the TCE/federal funds available.
- Would require redirection of existing staff to supervise new additional resources and cause other critical workload to be delayed or not performed.

G. Implementation Plan

Approval of this proposal requires only the continuation of existing resources. Therefore, an additional hiring plan, facilities, or space is not required. Activities as noted in the table below would continue as required.

Activity	Dates
Ad hoc changes to Budget Plans, Work Plans, and Allocation Agreements	As needed
County outreach, enrollment, and renewal assistance training	Quarterly
Invoice processing	Continuous
Monitoring and compliance reviews	Continuous

Analysis of Problem

H. Supplemental Information

N/A

I. Recommendation

Adopt Alternative 1 to provide two-year limited term resources. Resources will allocate funds to counties for outreach, enrollment, and renewal activities. This alternative would provide the State with the necessary resources to continue performing the current workload without jeopardizing existing activities. If this option is denied, DHCS will be out of compliance with AB 82, Section 71, SB 18, as well as SB 75.

WORKLOAD STANDARDS

Medi-Cal Eligibility Division/ Outreach and Enrollment Unit

2-Year Limited-Term Expenditure Authority (7/1/16 – 6/30/18) to address the following activities:

Activity	Number of Items	Hours Per Item	Total Hours
Lead the development of outreach strategic plan and plan components provides subject matter expertise in a lead capacity to the Division's staff and the Department's management staff for the outreach strategies and plans for the enrollment of Californians that are eligible for Medi-Cal but not yet enrolled. Continue to oversee renewal assistance program efforts conducted by DHCS staff and carried out by counties. Recommend to management communication and outreach strategies and promotional campaigns to support DHCS's goals and objectives in expanding Medi-Cal coverage to more Californians. Work closely with external stakeholders and divisions and offices of DHCS in developing and finalizing the DHCS' guidance for such activities.	80	8	640
Participate in and attend webinars and conference calls related to the outreach and renewal efforts as organized by various county organizations and community based organizations, and represent the Division in such meetings as needed.	50	5	250
Provide expert program consultation in working with various county health and human services departments on the development of standardized procedures and establishing milestones for enrolling newly eligible populations in the Medi-Cal program and retaining current beneficiaries as the result of outreach and renewal activities and plans.	60	5	300
Review and/or develop methods for receiving and reviewing progress reports and invoices from various county health and human services departments and/or community-based organization who have received funding to be used only for the Medi-Cal outreach, enrollment, and renewal activities, and their compliance to the state law for such activities.	60	6	360
Communicate with internal staff on items related to the ACA guidance pertaining to Medicaid outreach, enrollment, and renewal activities. Manage the work of analysts on the outreach, enrollment, and renewal, and marketing activities related to Medi-Cal enrollment and renewals in line with ACA provisions. Keep executive management informed of any new federal guidance on outreach activities for enrollment and renewals in Medi-Cal.	50	5	250
Total workload projected			1800

WORKLOAD STANDARDS

Medi-Cal Eligibility Division/ Outreach and Enrollment Unit

2-Year Limited-Term Expenditure Authority (7/1/16 – 6/30/18) to address the following activities:

Activity	Number of Items	Hours Per Item	Total Hours
Coordinate development and implementation of the outreach, enrollment, and renewal activities. Development and implementation of various documents including contracts, interagency agreements, work plans, communication plans, reports, criteria, application, policies, and procedures. Maintain action item tracking in coordination with lead staff.	160	8	1280
Assist in the coordination and facilitation of ongoing collaboration meetings between DHCS and stakeholders. Provide meeting topics and coordinate the preparation of meeting agendas, meeting materials, and meeting minutes with support staff.	120	5	600
Coordinate and assist with outreach research using online resources, best practices and industry standards.	140	3	240
Develop and distribute customer satisfaction surveys, analyze results and prepare reports for management and stakeholders. Review and analyze management reports, invoices, and track performance metrics and goals.	120	10	600
Collaborate and provide technical assistance to The California Endowment on marketing initiatives, campaigns, outreach, and renewal efforts.	120	6	720
Total workload projected			3620

WORKLOAD STANDARDS

Medi-Cal Eligibility Division/ Outreach and Enrollment Unit

2-Year Limited-Term Expenditure Authority (7/1/16 – 6/30/18) to address the following activities:

Activity	Number of Items	Hours Per Item	Total Hours
Prepare and edit written documents, reports, presentations, correspondence and memorandum; distribute documents to staff, stakeholders, and interested parties as needed.	550	2	1100
Schedule meetings and maintain calendars for the Unit staff including preparation of meeting notices, meeting agendas, meeting materials and meeting minutes. Serve as attendance coordinator for the unit.	600	1	600
Establish and implement online document retention system using Share Point. Establish retention schedules.	3	10	30
Prepare invoices for review to accounting including cover memo and maintain copies internally.	24	2	48
Total workload projected			1778